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11

12 **BEFORE THE**
13 **STATE WATER RESOURCES CONTROL BOARD**
14 **STATE OF CALIFORNIA**
15

16 In re Petition of Imperial Irrigation District and) **OUTLINE OF SUPPLEMENTAL EXPERT**
San Diego County Water Authority for) **TESTIMONY OF DENNIS UNDERWOOD**
17 Approval of Long-Term Transfer of Conserved) **(FOR REBUTTAL CASE)**
Water and Changes in Point of Diversion, Place)
18 of Use and Purpose of Use Under Permit No.)
7643)
19)

20 I am Dennis Underwood. I am a Vice President with The Metropolitan Water District of
21 Southern California in Los Angeles. My Statement of Qualifications and Expert Witness Testimony
22 was submitted previously as San Diego County Water Authority (SDCWA) Exhibit 4.

23 1. As previously set forth in its Policy Statement, Metropolitan Water District of
24 Southern California (MWD) has put aside its fundamental disagreement regarding the jurisdiction of
25 the State Water Resources Control Board (SWRCB) relative to transfers of Colorado River water in
26 order to facilitate implementation of the California 4.4 Plan and in accordance with the provisions of
27 the Protest Dismissal Agreement. I am appearing today pursuant to a subpoena issued by the
28 SDCWA as one of their rebuttal witnesses.

1 2. I am aware of testimony and evidence previously submitted in this proceeding
2 indicating that the conservation program, as presently described, may result in potentially
3 unreasonable impacts on fish and wildlife. However, the fact is that not all conservation measures
4 identified in the draft environmental review document (DEIR/DEIS) will cause these alleged
5 impacts. Alternatively, there has been some testimony that the methods of conservation, such as
6 fallowing, that would reduce impacts on fish and wildlife would cause significant socio-economic
7 impacts in the Imperial Valley.¹

8 3. The purpose of my testimony today is to provide information that may be of
9 assistance to the SWRCB in evaluating various approaches to the conservation of agricultural water
10 that might be pursued by IID consistent with the DEIR/DEIS that would avoid impacts on the Salton
11 Sea as well as the Imperial Valley. The information provided is based upon MWD's experience in
12 test fallowing programs with the Palo Verde Irrigation District (PVID).

13 4. MWD and PVID implemented a two-year test land fallowing program from August 1,
14 1992 through July 31, 1994.² The test involved 20,215 acres of farmland and saved approximately
15 186,000 acre-feet of Colorado River water over two years. The payment to the participating farmers
16 was \$620 per fallowed acre that equated to \$135 per acre foot of water saved. In addition MWD
17 paid the PVID an additional \$500,000 for administrative costs bringing the total cost/acre-foot to
18 \$143.00.

19 A review of the economic issues related to the PVID program was set forth in a published
20 study entitled "1994 Regional Economic Impacts of the Palo Verde Test Land Fallowing Program."³
21 The principle findings of the study are as follows:

22 a. The program was not found to have affected overall regional economic
23 performance to any significant degree.

24 b. The program was not found to have caused non-farm-related businesses in the

25 ¹ See generally testimony and exhibits submitted by various environmental organizations; IID Exh. 65: Witness
26 Testimony of Dr. Rodney Smith; County Exh. 1 and 1A: Witness Testimony of Jurg Heuberger; County Exh. 3 and 3A:
Written Testimony of Steven Spickard.

27 ² See PCL Exh. 32: Great Western Research for MWD, *Palo Verde Test Land Fallowing Program, Aug. 1, 1992 - July*
31, 1994, FINAL REPORT, Vol. 1: Main Report (Aug. 1995).

28 ³ PCL Exh. 31: M.Cubed for MWD, *Regional Economic Impacts of the Palo Verde Test Land Fallowing Program* (Dec,
1994)

1 region to reduce employment or lose revenue.

2 c. Negative economic impacts of the program concentrated on a few farm-
3 related businesses providing services or supplies to the region's farmers.

4 d. The program was found to be only one of several causes for reduced regional
5 demand for farm-related labor, services and manufactured inputs.

6 e. Approximately 93% of program payments in excess of fallowing and
7 maintenance costs were spent locally on farm-related improvements.

8 f. There was no measurable change in taxable sales, property taxes or con-
9 struction activity in the region.

10 Based upon the success of the prior test program, PVID and MWD now propose to enter into
11 a 35-year Land Management, Crop Rotation and Water Supply Program.⁴

12 The proposed program would provide MWD with up to 111,000 acre feet of conserved water
13 per year. This is based upon a maximum of 26,500 program acres being taken out of irrigation in
14 any period.

15 The non-irrigated lands would be rotated once every year up to once every five years, at the
16 participating farmer's option.

17 The crops most likely to be displaced by the program are hays and grains. Higher value
18 crops such as vegetables and melons are less likely to be affected.

19 Land management measures to control weed growth and wind erosion would be an integral
20 part of the proposed program and would be provided by the participating farmers. The erosion
21 control program involves (1) reducing the effect of wind speeds at the soil surface and/or (2)
22 increasing the resistance of soil particles to detachment. It is estimated that the program will result
23 in PM10 levels similar to or slightly decreased from current levels.

24 Landowners will sign up for the entire term of the program. Depending on the number of
25 participants, a maximum of 29% to 35% of a participant's acreage is taken out of irrigation annually.
26 The payment structure will involve both an initial sign-up and an annual payment. In addition there
27

28 ⁴ SDCWA Exh. 50: Palo Verde Irrigation District, DRAFT Environmental Impact Report for the Proposed Palo Verde
Irrigation District Land Management, Crop Rotation and Water Supply Program (May 2002).

1 will be payments to the PVID to cover both administrative costs and for community development
2 projects.

3 5. It is MWD's belief that programs such as our past program with PVID as well as our
4 proposed PVID program are beneficial to the farmers, the farming community and the urban
5 partners. Such programs, if carefully crafted and operated to meet local concerns, have minimal
6 environmental and socio-economic effects that can all be addressed through mitigation.

7 I declare under perjury pursuant to the laws of the State of California that the foregoing is
8 true and correct.

9 Executed on May 24, 2002, at Los Angeles, California.



11 _____
12 Dennis Underwood, Vice President,
13 Metropolitan Water District of Southern California

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